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The Philadelphia Rapid Transit Plan

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IN writing this article I have used literally some of the expressions of Miss Helen Marot and Dr. Charles W. Eliot, who have crystallized the thought in a way I could not improve. Mr. T. E. Mitten has been a constant inspiration to me in adjustments with wage workers. When I, as an examiner for the National War Labor Board, first met him, he was deep in his practical coöperative work with the public of the city of Philadelphia during the influenza epidemic. His remarkable effort to stop that dreadful scourge was surely the most effective local agency. His successful safety coöperative work with the school children and the general public of Philadelphia has also been an inspiration.

I

The Philadelphia Rapid Transit Company was organized in 1902, with a fully paid capital of \$30,000,000, to lease and operate the properties of fifty-two underlying traction companies.

In 1910, as a result of a series of disastrous strikes, accompanied by riot, arson and murder, the company found itself with obsolete cars and car service, earnings insufficient to pay fixed charges and operating costs, and with credit exhausted.

At the urgent request of the holders of the securities and of the city government, although he has never had any substantial financial interest in the enterprise, Mr. E. T. Stotesbury undertook the rehabilitation of this public utility as a public duty. He assumed his thankless task without any thought of compensation, and engaged Mr. T. E. Mitten, who was then president of the Chicago City Railway, to represent him in the active management.

The Stotesbury-Mitten management promised to meet the needs of the car riders, increase the wages of the employes, and to pay to the holders of the securities such return as could be made possible by technical expertness and genuine coöperation with the wage workers.

At the time of Mr. Mitten's coming to Philadelphia, there was a bitter dispute between two factions of the Amalgamated Association of Street and Electric Railway Employees, which led to the suspension of the entire Philadelphia local from the international union. There were resultant disturbances among the trainmen, with collisions, assaults, and other serious disregard of the safety of the public and the property of the company.

Accidents had increased to an alarming extent, caused by unfit equipment and the general unrest of the wage workers who, after experiencing the two serious strikes of 1909 and 1910, were, in a dissatisfied way, working under the terms of a wage settlement provided as the result of arbitration. The maximum wage of conductors and motormen in 1911 was 23 cents, and this maximum rate was to be increased $\frac{1}{2}$ cent per hour on July 1st of each year until 1914, when the high rate for men over five years in service was to be 25 cents per hour.

Mr. Mitten called the men together and explained to them that it would be impossible for the company to survive if it increased the proportion of its earnings then being paid to conductors and motormen, which approximated 22 cents out of every dollar received by the company in fares from passengers. (The amount that was being expended at that time for wages, pension payments, etc., was actually 21.85 cents.) Mr. Mitten promised the trainmen that, if they would coöperate with his management under a plan which he had developed, he would set aside 22 cents out of every dollar which the company should receive in fares, as a fund to be used for payments to motormen and conductors.

It was in August, 1911, that this "coöperative welfare plan" was brought out by the Stotesbury-Mitten management, and it was accepted by the trainmen by public ballot in November of the same year. By this vote of the trainmen the principle of local self-determination was adopted, and it was established, that while employes of the Philadelphia Rapid Transit Company may belong to any union, lodge, or other lawful organization without "let or hindrance," there is to be freedom for the employer as well as freedom for the employe in the transaction of the business of the company on business principles, with a full measure of recognition of the responsibilities of each in the business enterprise.

In the "Annual report to the stockholders for the year ended December 31, 1918, and 8 years 1911-1918" the following statement is made:

Co-operation with labor, so much to be desired, and so seldom secured, has here proven to be the keystone of accomplishment in providing satisfactory service to the public.

There were 445,599,008 passengers carried in 1910, the year the Stotesbury-Mitten management assumed control, with an average fare per passenger of 4.13 cents. In 1918 there were 767,758,406 passengers carried, with an average fare of 3.98 cents. In 1910 the wages of trainmen were 23 cents per hour.

The average wage per employe has been increased from \$622.16 per annum to \$1,204.23, or 93.6%. The total wage paid to all employes in 1918 was \$13,197,170.29, as against \$7,282,995.27 in 1910.

The trainmen who were receiving a maximum rate of 23c per hour in 1910, received 32c in September, 1916, 43c in July, 1918, and a further voluntary increase in August, 1918, to War Labor Board scale—48c per hour. The War Labor Board endorsed the amended Coöperative Plan of 1918, now in force, as being equitable and desirable as a means of promoting coöperative effort between Employer and Employee. The increase in wages of trainmen alone amounted to \$7,692,844.03 in excess of the wage scale made effective as a result of arbitration, between the former Management and organized labor, following the 1910 strike.

Under the original coöperative welfare plan, if the gross receipts of the company increased through good management and the faithful work of all the wage workers, every wage worker received a direct addition to his wages, and he understood that this addition was the result of the faithful work of himself and his companions in the service. It would seem that among the readjustments following the close of the war, the principle of wage workers' participation in the profits of coöperation will be re-introduced into the Philadelphia Plan. Certainly this would be one of the most effective methods of keeping up the interest of the wage workers in turning out good work.

The suspended local of the international union of street railway workers maintained some show of activity throughout the years

of the Stotesbury-Mitten management, but neither of two attempted strikes proved successful in causing interruption of the public service. One attempt was planned to take advantage of the depleted force resulting from the draft. Cars necessary to provide the extra service for war workers were manned and operated for several weeks by volunteers from all departments of the company. The complaint made to the National War Labor Board fell flat. The company was able to show by representatives of the shipyards, arsenals, etc., that service had not been interrupted and was being adequately supplied.

After their original action had been dismissed, the officers of the suspended local were continually on the doorsteps of the National War Labor Board and the Department of Labor with complaints against the company, chiefly of unfair discrimination. It was for this reason that a revision of the original coöperative welfare plan was suggested to Mr. Mitten, i. e., in order to provide a broader basis of procedure for the determination within the company of all such matters as were then being taken to Washington.*

Under the original coöperative welfare plan of 1911, wage workers and management had come into close contact. Wages had been adjusted, working conditions had been improved and sick and death benefits had been assured. But the old coöperative plan failed to provide an organization sufficiently complete and effective for all the needs of collective bargaining. The purpose of the new plan was to broaden and enlarge certain features of the old plan and to provide a system of adjustment entirely separate from the coöperative welfare work.

II

The Philadelphia Rapid Transit Company is a business enterprise operating a system of electric railways for the safe, expeditious and comfortable carriage of passengers. About 11,000 wage workers are employed in all departments, who are distributed

*Note: The writer of this article, then an examiner for the National War Labor Board, had formulated in September, 1918, a collective bargaining agreement for the New York Central Iron Works Company, Inc., of Hagerstown, Md., and its employees, but the Philadelphia plan was the first real plan of collective bargaining originated in the National War Labor Board and upon it all subsequent plans were more or less based.

throughout Philadelphia and some of its environs, in more or less isolated contact groups.

The three human elements which give authority to the responsible management of the company are the public, the wage workers and the security holders. The responsible management represents all three of these elements, and for the best results it must have thorough coöperation from each of them. The success of the responsible management may be said to depend upon the measure of coöperation obtained.

The Philadelphia Plan, through a system of collective bargaining by representative committees of wage workers and direct representatives of the responsible management, provides a way whereby discordant interests may be harmonized in the family so that complete coöperation may eventually be obtained.

The plan provides that class and group contact of the wage workers shall be established; that the wage workers shall have a free and independent vote for their representative committees; and that the identity and integrity of wage workers' committees as wage workers' representative committees shall be maintained. It also provides that if differences cannot be determined within the industry itself by the representative committees of the wage workers, who are indirect representatives of the responsible management, and direct representatives of the responsible management, the public, which would be so harmfully affected by any dislocation of the service of the public utility, shall participate in the settlement of such differences.

The Philadelphia Plan aims to provide a complete form of local self-determination. Every local contact group of wage workers, however small, has its representative committee for collective bargaining with direct representatives of the management. These local contact group, or branch, committees progress into occupational class, or department, committees. The occupational class, or department, committees progress into general committees, representing the industry as a whole. See the chart of organization.

The responsible managing head is able to look down two clear and distinct lines of approach from the point of view of an impartial observer. One line consists of representatives of the wage workers, the other line consists of technical experts, superin-

PHILADELPHIA RAPID TRANSIT COMPANY

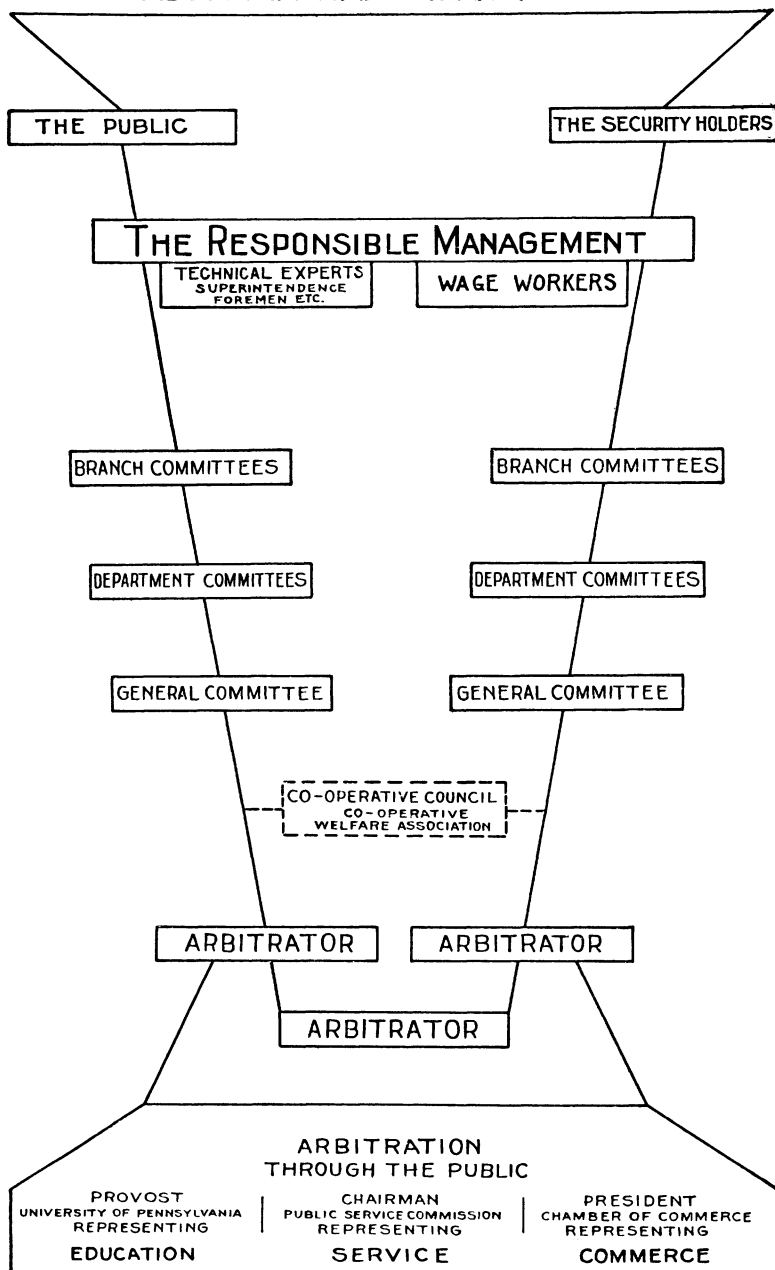


FIG. 1.—THE SCHEME OF ORGANIZATION, P. R. T.

tendents, foremen, etc., representatives upon whom the managing head must rely to carry the authority of his responsibilities directly to the wage workers. With proper behavior by the direct representatives of the responsible management there can be no feeling in the minds of the wage workers that their "conditions of work and destinies are being determined by distant authority over which they have no influence." If there should be improper behavior on the part of direct representatives of the responsible management, the way is open for correction, for the Philadelphia Plan provides a clear avenue of approach.

In the event that a point of difference cannot be settled in the family, i. e., the industry as a whole, then the responsible managing head and his direct representatives step aside in order to avoid the enormous wastage, inconvenience and suffering consequent upon a street railway strike. The plan provides that:

If resort to arbitration becomes necessary, then there shall be an arbitrator chosen by the general committee for employes and an arbitrator chosen by the general committee for employer; the two arbitrators so chosen to select a third arbitrator. Failing unanimous decision, the decision of any two of these arbitrators shall be binding.

In the event that the arbitrator chosen by the general committee for employes and the arbitrator chosen by the general committee for employer are unable to agree upon a third arbitrator, then the provost of the University of Pennsylvania, the chairman of the Public Service Commission, and the president of the Chamber of Commerce shall be requested to serve as additional arbitrators, or, failing to do so, to appoint their own personal representatives to act as such additional arbitrators. Failing unanimous decision, the decision of any three of these five arbitrators shall be binding.

The following table and map give a list of the various contact groups, or branches, in each of the five occupational classes, or departments, the number of wage workers in each department, and show how the branches are distributed over the city of Philadelphia and its suburbs.

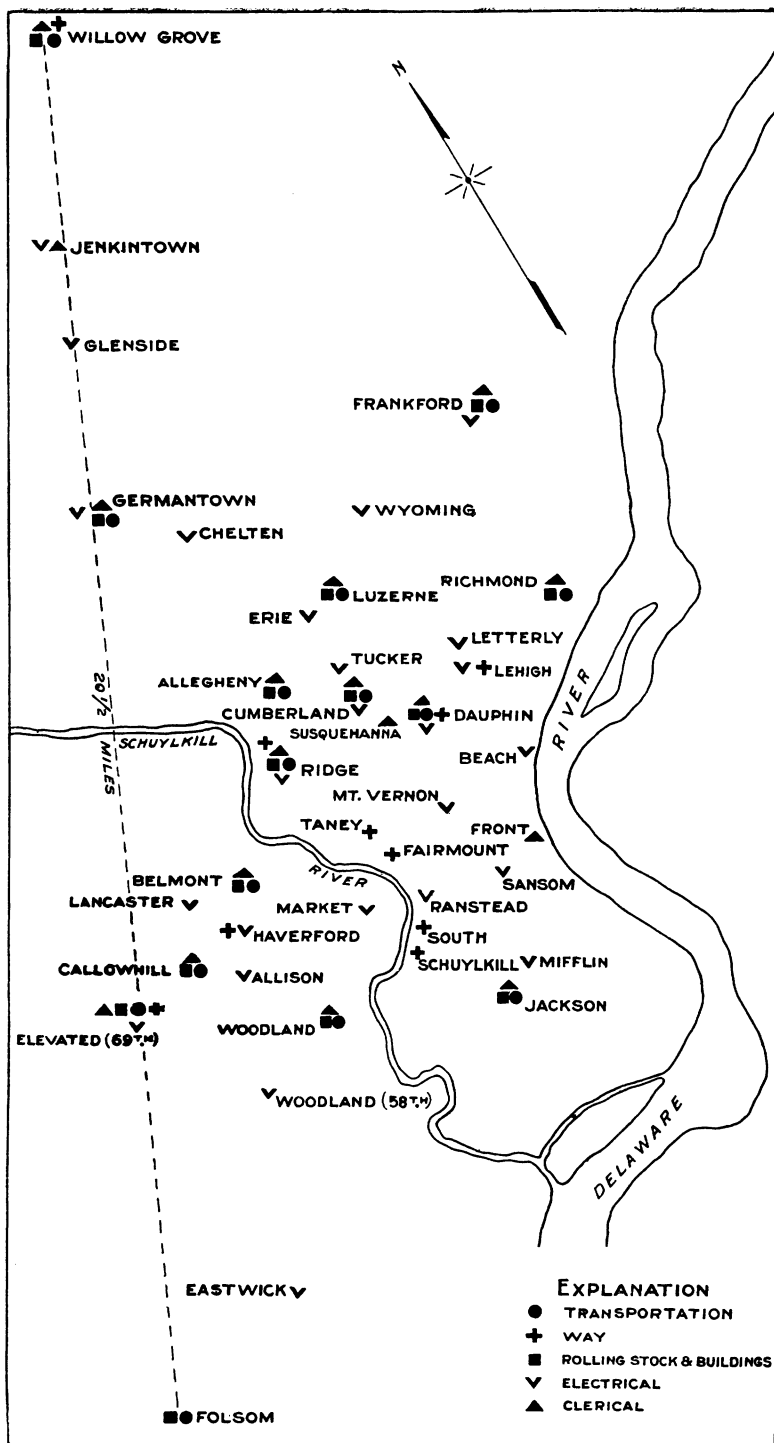


FIG. 2.—SHOWING GEOGRAPHICAL DISTRIBUTION OF THE VARIOUS STATIONS.

PHILADELPHIA RAPID TRANSIT COMPANY.

<i>Transportation Department</i>	<i>Rolling Stock and Buildings Dept.</i>	<i>Electrical Depart- ment</i>	<i>Maintenance of Way Dept.</i>	<i>General Offices Department</i>
BRANCHES:				
Luzerne	8th Street Shop	Beach	Taney	Auditing—
Woodland	Bldg. Construc-	Mt. Vernon	Folsom	Receivers
Belmont	tion	Wyoming	Fairmount	Auditing—
Jackson	Kensington	Repair Crews	Willow Grove	Cashiers
Callowhill	Elevated	Substations	Haverford	Auditing—
Frankford	Germantown	Construction	Schuylkill	Clerks and
Ridge	Folsom	Distribution-	Huntingdon	Freight Agts.
Richmond	Cumberland	Overhead	South	Transportation
Allegheny	Allegheny	Distribution- Un-	Amber & Lehigh	Rolling Stock
Cumberland	Richmond	derground	Water & Market	and Buildings
Willow Grove	Ridge	Market-Elevated		Electrical
Folsom	Frankford			Claims
Germantown	Callowhill			Way
Elevated	Luzerne			Purchasing
	Belmont			Printing
	Woodland			Secretary-Treas-
	Jackson			urer
				Utility

A total of sixty local contact groups or branches, with approximately 11,246 wage workers, divided as follows:

Transportation Department.....	7,082	wage workers.
Rolling Stock & Bldgs. Dept.....	1,756	do
Maintenance of Way Dept.....	1,099	do
Electrical Department.....	643	do
General Offices.....	666	do

The provisions of the plan follow:

COLLECTIVE BARGAINING

Voice and Vote.

1. The workers shall have a free and independent vote for representatives for proper collective bargaining, and
2. Proper committee organization of such representatives so that class and group contact may be assured and the integrity of workers' committees be established and maintained.

PROCEDURE

The business of Employer is divided into classes or Departments, and each Department is subdivided into contact groups or Branches.

Differences between Employee and Employer shall be settled through the medium of

1. Branch Committees.
2. Department Committees.
3. General Committees.
4. Board of Arbitration.

Any local point of difference shall be taken up by the Branch Committee at the local Branch of origin.

When a grievance is not settled through the proper Branch Committees then it shall be taken up by the respective Department Committees.

When a grievance is not settled through the proper Department Committees then it shall be taken up by the General Committees.

When a grievance cannot be settled through the General Committees it shall then be settled by arbitration.

All appeals shall be submitted in written form to the Secretary of the respective Committees, briefly setting forth all the facts of the matter at issue.

In the discussions of the Department Committees and of the General Committees it is intended that Employes shall sit on one side of the table, so to speak, and Employer on the other side, throughout the collective bargaining contemplated by this Plan.

The majority of any Committee of Employes shall be the voice of that Committee.

The majority of any Committee of Employer shall be the voice of that Committee.

Whenever the minds of the majorities of any Committees meet, the controversy shall be settled.

While it is intended that there shall be full and free discussion in order to arrive at an amicable understanding and settlement of controversies, whenever it is necessary to take a vote to ascertain the voice of any Committee, the Committees for the Employes and for the Employer shall have the right to retire and cast their vote in secret caucus. In such secret caucus all such votes shall be taken by secret ballot, said ballots to be returned unopened to the Secretary for the Committees. The Secretary shall count the ballots under the observation of both Committees and announce the result in open meeting.

BRANCH COMMITTEES

There shall be elected two representatives by the workers at each depot, station or division. The candidate receiving the highest vote shall be declared No. 1 Branch Committeeman for that depot, station or division for the ensuing year, and the candidate receiving the second highest vote in like manner shall be declared No. 2 Branch Committeeman.

The employer shall appoint two representatives for each depot, station or division.

The two Committeemen elected by the workers shall constitute the Branch Committee for Employes. The two representatives appointed by the Company shall constitute the Branch Committee for Employer.

Committeemen shall be elected to serve for the period of one year. It shall be their duty well and truly to represent their fellow employes and to give all matters under consideration or discussion their best thought and the benefit of their knowledge and experience.

At least once in every three months there shall be an opportunity for a meeting of workers at each Branch, when reports shall be made by the local Branch Committeemen.

Elections.

The dates upon which Committeemen elections shall be held, as well as the hours during which the polls shall be open, shall be so arranged as to insure to every qualified voter at the local depot, station or division opportunity to cast a vote for one candidate, it being stipulated that the different election dates shall be arranged in such order and sequence as to provide always for a working majority on the several committees of members who are familiar with the nature and routine of the business transacted.

Notice of any Branch election shall be posted conspicuously at the said local Branch twenty-one days in advance of the date set for the election.

All elections for Committeemen shall be by secret Australian ballot under the super-

vision and direction of an Election Committee of three members chosen by and from the respective Department Committee for Employees.

All ballots cast, together with the official return of the Election Committee, shall be forwarded promptly to the Secretary of the Department Committee to become a part of the permanent records.

In case of decease, leaving service or inability to act of any Branch Committeeman, the remaining Committeeman shall act until a successor is elected. An election shall be held to fill the vacancy as promptly as possible in the same manner as the original choosing provided by this Plan.

Qualifications for Voters.

To qualify as a voter the employe must have been six months in the Company's service, be regularly assigned to duty, and not occupy an official position of any character with the Company. Every voter shall be entitled to all the rights and privileges under this Plan.

No voter shall be permitted to cast a ballot unless he or she shall appear at the polls in person, and within the hours prescribed for the election.

Lists containing the names of the workers qualified to vote at the election shall be posted conspicuously at the local Branch three days prior to the date set for the election.

Qualifications for Committeemen.

Candidates to be eligible to election as Committeemen must be regularly assigned to duty and have been continuously in the employ of the Company for not less than two years.

In the Transportation Department candidates must also be assigned to a regular run and be actually serving in the capacity of trainman or its equivalent grade.

Candidates for election as Committeemen must file with the Secretary of the General Committees, not less than thirteen days in advance of the date of election, official nomination papers, carrying the signatures of not less than seven workers qualified to vote at the respective Branch location.

It is not intended that a worker shall sign more than one nomination petition at any election.

It is not intended that any employe who may properly be said to represent employer shall be chosen as a representative of workers.

DEPARTMENT COMMITTEES

Employees in the several Departments shall be represented on their respective Department Committees through their duly elected members.

The following Departments will each be represented by its respective Department Committee, viz.:

Transportation Department.

Rolling Stock & Buildings Department.

Electrical Department.

Way Department.

General Offices Department.

These Committeemen elected annually by the employes of each Department shall be equaled in number by the Company appointments of its representatives. Each Committeeman shall be entitled to a vote.

Each Department Committee for Employees shall consist of all No. 1 Branch Committeemen and all No. 2 Branch Committeemen elected by the workers at the several depots, stations or divisions in that Department. In the event of decease, leaving service, or inability to act, of either Branch Committeeman then the remaining Branch Committee-

man for that Branch shall act on the Department Committee until a successor is elected in the manner hereinbefore provided for filling a vacancy on a Branch Committee.

Officers.

The Department Committee for Employes and the Department Committee for Employer shall each elect its respective Chairman.

The Secretary for the General Committees, or an authorized representative, shall act as Secretary for the several Department Committees, without vote.

Meetings.

Stated meetings of each Department Committee shall be held in alternate months throughout the year. Special meetings shall be held at the call of the Secretary or upon the request of five members submitted in writing to the Secretary.

No less than two-thirds of the members of any Department Committee shall constitute a quorum for the transaction of business at any regular or special meeting of that Committee.

GENERAL COMMITTEES

The members of each Department Committee for Employes shall annually elect two of their number, the members so elected to constitute the General Committee for Employes.

The members of the General Committee for Employes shall be equaled in number by the Company's representatives, to be appointed by the President of the Company, the members so appointed to constitute the General Committee for Employer.

A vacancy occurring in the General Committees shall be filled as promptly as possible in the manner of the original choosing.

It shall be the duty of the General Committees to devise ways and means for furthering the efforts of the various Department Committees for the greatest possible good, to promote harmony and good fellowship among all employes of the Company, to formulate plans for submission to the several Department Committees, and to render every assistance within their power toward advancement of the interests of the employes and the betterment of the service.

Further, the General Committees shall possess the power to review, modify or reverse any findings or decision of the Department Committees, and may, in their judgment, change any portion of this Plan or any modification thereof or the composition of any of the Committees, or any of their various respective functions.

The scope and authority of the General Committees shall be superior to that of the Department Committees and their decisions in all matters shall be final and binding, except as hereinafter provided.

Officers.

The General Committee for Employes and the General Committee for Employer shall each elect its respective chairman. The Secretary for the General Committees shall be appointed by the President of the Company, and shall not be entitled to vote. It shall be the duty of the Secretary to keep accurate minutes of meetings of all Committees. For this purpose an Assistant Secretary shall be employed to assist in keeping the minutes and conducting the details of the several Committees.

Meetings.

Stated meetings of the General Committees shall be held on the third Tuesday of each month.

Special meetings shall be held at the request of the Chairman of either of the General Committees, submitted in writing to the Secretary.

No less than two-thirds of the members of each General Committee shall constitute a quorum for the transaction of business at any regular or special meeting.

BOARD OF ARBITRATION

If resort to arbitration becomes necessary, then there shall be an arbitrator chosen by the General Committee for Employees and an arbitrator chosen by the General Committee for Employer; the two arbitrators so chosen to select a third arbitrator. Failing unanimous decision, the decision of any two of these arbitrators shall be binding.

In the event that the arbitrator chosen by the General Committee for Employees and the arbitrator chosen by the General Committee for Employer are unable to agree upon a third arbitrator, then

The Provost of the University of Pennsylvania,
The Chairman of the Public Service Commission, and
The President of the Chamber of Commerce

shall be requested to serve as additional arbitrators, or, failing so to do, to appoint their own personal representatives to act as such additional arbitrators. Failing unanimous decision, the decision of any three of these five arbitrators shall be binding.

COMPENSATION

The pay of members of the General Committee for Employees and of all Department Committees for Employees while employed on Committee work shall be paid from the funds of the Co-operative Welfare Association and shall be at the rate received by the respective employees at their regular occupations, and while so employed they shall receive no pay from the Company.

The members of the General Committee for Employer and of all Department Committees for Employer shall receive no compensation from the Association for their services as Committeemen, but shall receive from the Company the continuation of their regular pay as Company employees.

Each arbitrator shall be paid from the funds of the Co-operative Welfare Association, as compensation for his services, an amount to be determined by the General Committees

All expenses of any character incident to the carrying out of the Co-operative Plan shall be paid out of the funds of the Co-operative Welfare Association—the same being represented in the amount of the dues as paid in from time to time by the members of the Co-operative Welfare Association and in the sum of \$10,000 per month paid in by the Company.

CO-OPERATIVE WELFARE

Membership.

Membership in the Co-operative Welfare Association is open to employees one year or over in service and over 16 years of age, without initiation fee; \$1.00 per month will be deducted from the pay of each member, and said dues will entitle members to life insurance, sick benefits and pension, as herein provided.

The Company during the period of this Management has paid into the various funds representing sick benefits, pensions, deaths benefits, and other benefactions, at the rate of approximately \$90,000 per annum. Under the Co-operative Plan of 1918 the Company will contribute a lump sum of \$10,000 per month to the cost of carrying out the conditions contained therein.

Should the income realized by the payment of \$1.00 per month from members and \$10,000 per month by the Company be found insufficient to meet the expenditures of the Association, the dues of members will be increased sufficiently to prevent a deficit in the funds of the Association, and no increase in the amount paid by the Company shall be made until the total amount paid monthly by the members equals the \$10,000 paid monthly by the Company. Thereafter all increases shall be borne equally by both. The Company, however, will not reduce its minimum payment of \$10,000 per month should the present dues of \$1.00 per month create a surplus in the funds of the Association.

Life Insurance.

A Blanket Policy has been issued by the Metropolitan Life Insurance Company, insuring the lives of employes of the Company desiring to avail themselves of this protection through the medium of the Co-operative Welfare Association.

Certificates of Insurance providing for \$1,000 life insurance have been delivered into the possession of each member of the Association, to remain in full force and effect so long as the member continues in the employ of the Company and retains membership in the Co-operative Welfare Association.

This replaces the death benefit of \$150 formerly paid under the Co-operative Plan of 1911, to which the members contributed 25c per month, and also replaces the \$500 given by the Company to dependents of deceased employes who had been over two years in its service.

The Metropolitan Life Insurance Company makes payment of benefits and insurance under its policy direct to the beneficiaries of the members of the Co-operative Welfare Association.

Each Certificate of Insurance for \$1,000 issued by the Metropolitan Life Insurance Company, under the provisions of the Blanket Policy, entitles the holder, upon leaving the employ of the Company, to re-insure for the same amount with the Insurance Company without medical examination, at rates based upon the member's then attained age. Any such member subsequently returning to the employ will again become eligible for re-insurance under the provisions of this Blanket Policy.

A special feature of this Certificate of Insurance is a provision that in case of total and permanent disability, occurring before the member shall have attained 60 years of age, from causes arising after the issuance of insurance, the insured will be entitled to receive from the Insurance Company the \$1,000 covered by the policy in monthly or yearly installments as set forth in the Certificate of Insurance for \$1,000 now in the possession of each member of the Association.

Sick Benefits.

Sick benefits are payable at the rate of \$1.50 per day, commencing with the eighth day's illness, for a period not to exceed 100 days in any consecutive 12 months.

This replaces the former sick relief of \$1.00 per day for 100 days in any consecutive 12 months.

Pensions.

Pensions of \$40.00 per month are payable to incapacitated employes who have reached 65 years of age and have been continuously in the service for 25 years; meritorious cases of long service, but falling short of these requirements, to be given special consideration.

This increases the former pension plan from \$20 to \$40 per month.

Administration.

The affairs of the Co-operative Welfare Association shall be administered by a Co-operative Council consisting of the combined membership of the two General Committees for Collective Bargaining. The administration of the Co-operative Welfare Association shall be entirely separate and distinct from the function of Collective Bargaining.

The Co-operative Council shall act as Trustees of Insurance for the Co-operative Welfare Association and shall also authorize the expenditure of all moneys, including payment of sick benefits.

The Co-operative Council shall also pass upon the issuance of Insurance Certificates and the validity and merit of all applicants for pensions.

The President of the Co-operative Welfare Association, who shall also act as Chairman of the Co-operative Council, shall be elected annually from the membership of the Associa-

tion by the majority vote of all the members of the several Department Committees for Employees.

The Chairman of the Board of Directors and the President of the Company shall be the Honorary Chairmen of the Co-operative Council.

The Secretary-Treasurer of the Co-operative Council and the Assistant Secretary-Treasurer shall be appointed by the President of the Company. The Association shall employ such other assistants as may be required.

The Company's Auditing and Treasury Departments are to be placed at the disposal of the Co-operative Council for the purpose of keeping the accounts and safeguarding the funds of the Co-operative Welfare Association.

It is obvious that the spirit in which the Philadelphia Plan is developed is sincere. It is based on fundamental necessities as shown by practical experience and it is being carried out so that no fair minded participant has any fault to find with the way it is functioning.

Co-operation between employers and wage workers must be based upon a recognition of their common interest, both as parties to industry and as members of the community. *Such co-operation must be continuous and constructive.* Employers must realize that both their own interests and the obligations of citizenship impose upon them the necessity of a sympathetic understanding of the lives and standpoint of those with whom they work and a willingness to co-operate, without dictation or patronage, in every endeavor to improve their material or social conditions. Labor must realize its direct interest in the improvement of industrial processes, the organization of industry, the standard and quantity of production and the elimination of waste in material or effort. (Garton Memorandum.)

The larger part of the wage workers of the Philadelphia Rapid Transit Company are trainmen, i. e., motormen and conductors. This is an occupation which requires only a brief period of training before comparative expertness is attained. In a limited number of weeks motormen and conductors are participating in the most vital function of the responsible management. Every motorman and conductor who takes a car out of a barn through the streets of a crowded city, guides and directs a business enterprise in itself almost complete. It certainly cannot be said that such wage workers are not functioning through responsible and conscious action.

The plan is the outgrowth of business enterprise. In accepting it the Philadelphia Rapid Transit Company did not shift or avoid any of its obligations and duties. The wage workers have assumed new responsibilities which are always associated with the assumption of new measures of freedom. New freedom for the wage

workers and for the management will arise from the acceptance of responsibilities and a fair attempt by both to carry out their undertakings. This will mean better workers and better work, not only by the wage workers, but by the direct representatives of the responsible management as well.

The assumption of responsibilities implies a certain order of capacities and it must be recognized that the general measure of industrial responsibility contemplated by the Philadelphia Plan is not easily obtained or easily discharged. A real feeling of responsibility cannot be lightly assumed, and if the Philadelphia Plan for Collective Bargaining and Coöperative Welfare, after many trials, eventually succeeds in inducing, developing and preserving the active interest and desire to assume responsibilities on the part of the wage workers it will be satisfactory. The full fruits of coöperation are only to be obtained after orderly growth and development.

As Dr. Eliot has so happily stated:

American liberties are to be preserved just as they are won. They have been slowly achieved by generations of sturdy, hard-working people who valued personal independence, industry, thrift, truthfulness in thought and act, respect for law, family life and home, and were always ready to fight for the defense of these things.